

Dear Reader,

*The book that has had the biggest impact on me the past year is Mark Manson's [The Subtle Art of Not Giving a F*ck](#). I read it twice – that was not enough. Then I listened to it twice on Audible. But even after going over the material four times I did not feel I had internalized it enough. To really understand it, I felt I needed to write about it. I am writing the following as much for myself as for you, dear reader. I will try to download in a not-so-concise way what I have learned from this wonderful book.*

This scribble is the size of five football fields – okay, no, it's 7,000 words, the length of five articles. If you are an IMA client and your quarterly letter arrives two weeks late, now you know why (and sorry).

Since most people are not going to read a fifteen-page article, I am going to have to break this monster into five parts and thus expect to receive more emails over the next few weeks than usual.

Also, there is one more little issue – the F word. Mark Manson loves to use it, a lot (171 times). I took the liberty of turning excerpts from his book from Rated R to PG.

So here it comes. Enjoy.

- Vitaliy Katsenelson, CFA
CEO, [IMA](#)

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The Subtle Art of Not Giving a F*ck

Your values are the key to your happiness

At first, I was somewhat turned off by the book's title, not because it used a four-letter word but because the title implied not caring about anything or anyone. However, the message of the book is quite the opposite. Only psychopaths don't care about anything or anyone.

The goal of the book is to help the reader learn "how to focus and prioritize your thoughts effectively – how to pick and choose what matters to you and what does not matter to you based on finely honed personal values."

If we care about too many things, or if we care about wrong things, we are destined to live a life of misery. The environment around us is not helpful, either, as Manson writes:

Everyone and their TV commercial wants you to believe that the key to a good life is a nicer job, or a more rugged car, or a prettier girlfriend, or a hot tub with an inflatable pool for the kids. The world is constantly telling you that the path to a better life is more, more, more – buy more, own more, make more, f*ck more, be more. You are constantly bombarded with messages to give a f*ck about everything, all the time.

But

[G]iving too many f*cks is bad for your mental health. It causes you to become overly attached to the superficial and fake, to dedicate your life to chasing a mirage of happiness and satisfaction.

What we care ("give a f*ck") about is paramount, as it determines where we focus our thoughts, our energy. This is what we use to measure ourselves against, and thus it is what is going to determine our happiness.

I have had to revise my formula for happiness. I used to think it was reality minus expectations. But that needs to be modified to reality minus the *right* expectations.

The key to a good life is not giving a f*ck about more; it's giving a f*ck about less, giving a f*ck about **only what is true and immediate and important**. (emphasis is mine)

In other words, we need to be very careful and thoughtful in selecting what we care about (right expectations). We need to think about what is important to us, and then we'll be able to filtrate whatever the external environment tries to shove down our throats. In other words, we need to develop our own value system (we'll talk about values in a minute).

Here is a very real example. I run what many would consider a good-sized investment firm in Denver. We are growing; we generate enough revenue to pay our employees and principals well. I don't fly on a private jet, and Warren Buffett doesn't need to worry about being displaced on the Forbes list by yours truly; but we are not constrained by any financial resources from doing great investment research and providing excellent customer service for our clients.

Recently I was reading a *Denver Business Journal* article that listed asset management firms in Denver ranked by their size, that is, by assets under management. I noticed that we didn't quite make the cut to be among the top 20 firms *by asset size* in Colorado. I caught myself thinking that it would be nice to boost our assets under management to be make that list, but then I thought about what Mark Manson wrote:

... there's an infinite amount of things we can now see or know; there are also an infinite number of ways we can discover that we don't measure up, that we're not good enough, that things aren't as great as they could be. And this rips us apart inside.

See, not being on that list was an external confirmation that I did not measure up. Here is the irony: I didn't know that I didn't measure up until I randomly stumbled on that list (which I hadn't even known existed). If I then added being on the top 20 asset managers in Colorado *by size* as one of my goals, then I'd be adding another thing to care about that had absolutely zero calories for me – none! It would add nothing to my happiness and likely subtract from it.

More importantly, this would contradict my values and my goals – which are focused around building a great firm that I'm proud of. Paradoxically – and anti-capitalistic as it may sound – the size (assets under management) becomes a secondary factor above a certain threshold ([read more about this here](#)).

Unfortunately, we (including yours truly) do this sort of thing all the time. Often mindlessly (on autopilot), we let the external environment set the goals that drive our lives – and bring us eventual disappointment.

The subtle art of not “not giving a f*ck” is not about not caring or “not giving” but about being careful in choosing what you care about. It is caring about what truly matters.

This brings us to values. Manson says that values are “the metrics by which we measure ourselves and everyone.” Our values are our internal filtration, evaluation, and measuring system. If we get our values right, then a lot of problems in our lives will take care of themselves. This is the path to happiness.

What Are Bad Values?

Before we figure out what are the right values, let’s invert and examine Manson’s bad values.

Pleasure

It should be a byproduct of things we do but never a goal in itself.

... people who focus their energy on superficial pleasures end up more anxious, more emotionally unstable, and more depressed. Pleasure is the most superficial form of life satisfaction and therefore the easiest to obtain and the easiest to lose.

We’ll explore this topic in greater depth in a few pages.

Material success

“Money is not a substitute for tenderness, and power is not a substitute for tenderness. I can tell you, as I’m sitting here dying, when you most need it, neither money nor power will give you the feeling you’re looking for, no matter how much of them you have.”

– *Tuesdays with Morrie*

My family and I were vacationing in Ft. Lauderdale. My older kids and I went snorkeling on a boat. As we were cruising through the intercoastal waterway, the captain of the boat would point to a fancy house or a yacht and tell us how much this or that celebrity paid for it and when. There we were, passing the house where

Al Pacino lived when he was filming a movie; there was Steven Spielberg's yacht; there was a mansion owned by windshield wipers magnates (I kid you not). None of these mansions were architectural marvels, and these people had not landed on the moon or cured cancer.

The captain was doing his job, and in playing his role as he was reciting price tags, you could hear notes of admiration in his voice. All I was thinking during this tour was that he was sending the wrong message to my kids, who were absorbing all this with their eyes and ears wide open. They were getting the typical message that you encounter not just on a boat tour in South Florida but on any TV channel: money and things equal happiness. After we got back on land we discussed this, and I told them what I'm about to tell you and what Mark Manson has done a great job explaining in the book.

After we meet our basic needs, more money brings little incremental happiness. Ray Dalio, billionaire, who runs the largest hedge fund in the world, wrote the following in his book *Principles*:

Having the basics – a good bed to sleep in, good relationships, good food, and good sex – is most important, and those things don't get much better when you have a lot of money or much worse when you have less. And the people one meets at the top aren't necessarily more special than those one meets at the bottom or in between.

Being in the investment industry has provided me the interesting an opportunity to meet people who have hundreds of millions and even billions. Their poodles may be getting fancier haircuts; they may drive swankier cars and have posher vacations; but money on its own has not brought them hundreds of millions of dollars worth of happiness.

In fact, I have found that for some of them money has been more of a curse than a blessing, often because of the constant anxiety involved in growing it. If money is your goal you'll never have enough. With every additional hundred million or billion you'll be graduating into a new financial circle occupied by people who have even more.

I remember talking to an acquaintance who had built several companies from scratch and assembled a half-billion-dollar nest egg. We were having lunch and he was complaining about how he was stressed and losing sleep over one of his large positions in 30-year Treasuries (he was betting that interest rates would decline). I wasn't sure whether he was treating investing as a game to pass the time, or he

wanted to be in the [Three Comma Club](#). When he asked my advice. I told him bring the position down to a size where he wouldn't lose sleep over it.

I understand the irony of you hearing this story from an investment guy. But as a sculptor doesn't have to be in love with the rock from which he creates a sculpture, an investment guy doesn't need to be in love with the money. It's just a basic material with which I help my clients build their dreams, provide for their retirement and the college educations of their kids; and yes, for some it's used to buy intercoastal mansions in South Florida. I don't judge.

Warren Buffett, despite being one of the richest people in the world, is not motivated by material things. He has lived in the same relatively modest house for decades.

Always being right

I was sick with this disease for a long time. I am almost cured of it. It cost me friends and a girlfriend. Though my relationship with the girlfriend was going downhill for other reasons, I remember that the penultimate moment that led to its collapse was a debate about which is better, tariffs or quotas – I kid you not. We were both taking macroeconomics classes, though at different universities. I don't remember how this seemingly harmless debate got started, but I could not let it go – I wanted to prove to her that I was right.

Here is the irony: As Dale Carnegie writes in *How to Win Friends and Influence People*, you can't win an argument:

You can't because if you lose it, you lose it; and if you win it, you lose it. Why? Well, suppose you triumph over the other man and shoot his argument full of holes and prove that he is non compos mentis. Then what? You will feel fine. But what about him? You have made him feel inferior. You have hurt his pride. He will resent your triumph.

If you always focus on being right then you'll have a fixed mindset; you'll stop learning, because what you learn may contradict what you know. You won't grow. And most importantly, you're not going to have many friends.

Today, I have strong opinions, loosely held.

Always staying positive, and pain

This one is a bit complex and tricky. Manson writes, “Denying negative emotions leads to experiencing deeper and more prolonged negative emotions and to emotional dysfunction.”

Though I try to remove negativity from my life as much as possible, be it through turning off social media, watching a limited amount of news, or selectively reading newspapers. Completely getting rid of negative instigators and negative emotions is simply impossible.

People you love and other people you’ll be in contact with will disappoint you. They will do something you don’t like or say something in a tone you don’t care for. Unless we decide to spend our lives in a monastery with Buddhist monks who have taken vows of silence, negativity will always be a part of our lives that we cannot control. But we can control how we deal with it. Mark Manson says:

The trick with negative emotions is to 1) express them in a socially acceptable and healthy manner and 2) express them in a way that aligns with your values.

You may not be able to control how something makes you feel, but how you verbalize that feeling is completely up to you. Once I was running late to meet my friend Rabbi. It was as if the traffic light gods were laughing at me: Every traffic light I came to, was red and stayed red for double the normal time. Yes, humans are not the only ones who can evoke negative emotions in us; inanimate objects can do the trick, too.

I was feeling noticeably frustrated when I walked into my friend’s house. I apologized for being late and explained my run-in with traffic lights. He offered me advice that I still try to follow every day: “Treat these types of situations as God’s little tests.” There is a lot of wisdom in that advice.

When someone does something you don’t like, this person or that traffic light may be completely in the wrong. It may not be your fault; you are not responsible for their behavior. But you are responsible for yours and how you respond. I tell this to my kids and myself (!) all the time. You cannot control the external environment, but you can control how you respond to it.

Then there is another reason we want to always stay positive – but should not: to avoid pain. If we live our lives in constant search for pleasure and pain avoidance, then we will lead very empty and meaningless lives. Things that are worthy usually

come with some amount of pain – writing, kids, marathon running, dating, investing, working out, etc.

Mark Manson writes:

Some of the greatest moments of one's life are not pleasant, not successful, not known, and not positive.

It may sound masochistic, but as I read the above line, I realized to my own surprise that this is one of the reasons I love writing. You may read my writing with ease, but rest assured that a lot of pain, frustration, and fruitless hours of sitting in a dark room in front of a glary laptop screen went into creating this content. But overcoming these obstacles creates, as Mark Manson puts it, “a sense of meaning and importance” in my life. In the long run, things we struggle for are the ones that have the most meaning in our lives.

I have a close friend. He is in his early forties, single, smart, kind – a terrific human being. He moved to the West Coast a decade ago, so I see him in Denver only once a year, in December. Over the years he has struggled with his weight. Last year he hit his personal absolute worst – 360 pounds. As we went out to dinner, I asked him when he was going to start dating again. (Yes, we have that close a relationship). He said once he lost weight.

Fast-forward a year, and I am having dinner with literally half of my last year's friend – he has literally lost half of his body weight and now tips the scales at 180 pounds (true story). I asked him the same question: When are you going to start dating? I was secretly hoping that he had already signed up with every dating website available. To my surprise, he started listing all the inconveniences and frustrations that come with dating – going on dates, texting before and after dates, rejection, keeping his house constantly clean, etc.

I responded by quoting Mark Manson quoting Freud: “One day, in retrospect, the years of struggle will strike you as the most beautiful.” A week later I sent him a copy of Manson's book. I'll see him next year.

What Are Good Values?

Manson provides a very clear definition. They are: “1) reality-based, 2) socially constructive, and 3) immediate and controllable.” Reverse these and you'll get his bad values.

Good values are achieved internally; bad values rely on externalities. Manson tells two incredible stories of two musicians kicked out of two different bands.

Guitarist Dave Mustaine was told to hit the road right before head-metal group Metallica got their first record contract. He was so hurt by this that his chief goal in life became to beat Metallica. He started his own band, Megadeth, which achieved phenomenal success, selling 25 million records. This would have been an incredible outcome for anyone else, but Metallica had sold 180 million records and so Mustaine considered himself a failure for the rest of his life.

Then there was drummer Pete Best, who got kicked out of a little British group called the Beatles six months before it took off. For the next ten years Pete Best was miserable; he almost drank himself to death and tried to commit suicide. But then things changed; he got married and had kids. He realized that he wasn't upset anymore over getting kicked out of the Beatles and was actually leading a happy life. Yes, it would have been nice to have that fame and money, but the things he valued had changed. A loving family and simple life were more important to him now. He still loved music and got to play the drums, just in less-famous bands.

The difference between Dave Mustaine and Pete Best is how each one chose to measure success in their lives, what they evaluated themselves against – their value systems. Their stories show that we need to be very careful how we set our goals, because we will inevitably evaluate our individual success and failure against those goals.

Dave Mustaine's values were muddled by jealousy and envy. His values were based on external factors that he could not control, like Metallica's record sales. Warren Buffett, drawing from his infinite wealth of wisdom and humor, said, "As an investor, you get something out of all the deadly sins – except for envy. Being envious of someone else is pretty stupid. Wishing them badly, or wishing you did as well as they did – all it does is ruin your day. Doesn't hurt them at all, and there's zero upside to it."

Charlie Munger, Buffett's friend and mentor, made a similar point at the Daily Journal annual meeting:

Mozart ... here's the greatest musical talent maybe that ever lived. And what was his life like? It was bitterly unhappy, and he died young. That's the life of Mozart. What the hell did Mozart do to screw it up? Two things that are guaranteed to create a lot of misery – he overspent his income scrupulously – that's number one. That is really stupid. And that other thing was, his life

was full of jealousies and resentments. If you overspend your income and be full of jealousy and resentments, you can have a lousy, unhappy life and die young. All you've got to do is learn from Mozart.

When our values system is linked to external metrics that we cannot control, we are strapping ourselves into the bus of life in a way that lets us have little control over the journey or destination – external factors like someone's else success or failure determine our state of happiness.

When our values are internal and process-based, then we are in the driver's seat of the bus. The road will likely still be rocky, with plenty of disappointments (that's life). But we are in much greater control of our destiny when we're in the driver's seat; and paradoxically, the pain we experience along the way may also bring us joy.

These thoughts and stories were in the back of my mind when I decided not to set a goal for IMA to be in the top 20 largest investment firms in Colorado by asset size and thus grace the pages of the *Denver Business Journal*.

No “If This, Then”

My father's best and oldest friend Alexander is a brilliant mathematician and an incredibly gifted teacher, loved by everyone who ever came in contact with him. Alexander and my father both taught at Murmansk Marine Academy. Alexander had a younger brother who, when he died, left him several books. One of those books was Solzhenitsyn's *Gulag Archipelago*. In the 1970s in Soviet Russia that book was banned.

One of Alexander's guests must have seen Solzhenitsyn's book at his apartment and reported him to the authorities, because one day he got a knock on his door by the KGB. They searched his apartment and found the book. His superb reputation saved him from imprisonment, but he lost his job at Murmansk Marine Academy.

(A side note: The academy faculty held a vote over whether to keep Alexander or kick him out of the academy. The vote was almost unanimous: Yes, fire him. The only person who voted against was my father, who voted “no” at his own career risk.)

For fifteen years Alexander's goal was to get his teaching job back – that became the focus of his life. Then, in the 1990s, after the Soviet Union collapsed, the

Academy took him back with open arms; he was reinstated. What happened next came as a great surprise to everyone: Alexander fell into a deep depression. His goal had so occupied him that achieving it sucked the meaning out of his life – now he was goal-less and life was empty. This story has a happy ending, because his depression lasted a year or two but then he found a new joy in writing books and teaching high school kids mathematics. In other words, what he valued in life had changed.

We should not attach our happiness to “if this, then” statements. If only I got this job... this house... this girl... then I’d be happy. Jonathan Haidt, in *The Happiness Hypothesis*, has done a terrific job explaining why “if this, then” doesn’t lead to happiness. First, because pleasure comes from the journey (which is often a struggle) towards a goal, not from actually achieving the goal. Arriving at the destination doesn’t bring us more pleasure than the pleasure we receive overcoming micro and macro struggles during the journey itself.

And second, Haidt writes, “The human mind is extraordinarily sensitive to changes in conditions, but not so sensitive to absolute levels.” In other words, we adapt. We adapt to bad things and good things. If pleasure is our core value, then it will ultimately lead to our unhappiness, because our minds will adapt to each new absolute level of pleasure. And then... well, we’ll need a constant increase in the level of pleasure to stay happy, but each increase of pleasure will make us less and less happy.

Turney Duff gave a wonderful TED Talk ([watch here](#)) on this topic that I was fortunate to watch live.

Our values need to be process-based. This is why our core value is for IMA to be the best at what we do: We can control our investment process (not always its outcome); we can control the service we provide to our clients; we can control the culture we create and how we treat our employees.

Investing too is a process-based endeavor. Though no two stock analyses are identical, the systematic way of approaching them is the same from stock to stock. Unless you are in love with the process, you’ll subject yourself to a life of misery, because the causal chain between a well-thought-out process and a good outcome often takes years to unfurl. You may be making rational decisions – you may have bought value stocks in 1998 and shunned dotcom roulette; but if you just focused on the outcome of your decision, you’d have been in for three years of misery.

My investment friends will agree with me on this point: If you are investing solely to get rich and don't enjoy the struggle, the ups and downs of the process, then you are destined for unhappiness.

Lately I've been writing every morning from four to six-thirty. When I'm done writing I have a similar feeling to the one I have after I work out at the gym. When I've worked out hard, the micro-tears in my muscles leave me with a feeling of fullness and growth. Despite the pain and struggle, writing gives a similar satisfaction, except not in my arms or abs but in the muscle between my ears. I receive satisfaction not just from finishing an article or a book but from the journey itself.

Yes, “If This, Then”

I'll take you on a small detour, because I have discovered that there is an interesting twist to “if this, then” thinking, which can turn it from a negative to a positive. If used responsibly “if this, then” is a great habit-forming and behavior-enforcing tool. I used it to quit smoking and to achieve perfect attendance when I was in undergraduate and graduate school. I started smoking at the embarrassingly early age of thirteen. I was a product of my environment – my father and my brothers smoked. I also have a very addictive personality – if you put a bag of candies in front of me I won't stop until the bag is empty. Cigarettes were not much different; I was a cigarette addict, smoking two packs a day. My father, being the great father he is, tried everything to get me to quit, including forcing me to smoke a pack of cigarettes at once. He was hoping that light cigarette poisoning would force me to hate cigarettes. He took me to meditation classes and to an acupuncture guru who promised to cure my bad habit. Nothing worked for a simple reason – I did not want to quit.

And then...

I was 21. I had a mild crush on a girl. The girl mentioned in passing that she did not like men who smoked. I quit. This was before nicotine gums and patches, when quitting smoking was difficult. I told myself, if I smoke just one cigarette then I'll start smoking again. I pictured “then” as not getting a girl, which was horrifying to my young mind. I'd wake up in the middle of the night in a cold sweat because I'd had a dream that I smoked. This little “if this, then” calculation changed my life.

The irony of the story is that the girl dumped me two weeks later, but till this day I am very thankful for this little crush. There is a bonus to this story: My father – not

wanting to be a hypocrite – quit a week later. Neither one of us have touched a cigarette since.

I was never a great, and actually not even a good student (there is no false modesty here). Then in my second year at the University of Colorado at Denver, after two years of not-so-great grades, I started to mature. I realized that learning and good grades were a big deal if I didn't want to spend my whole life unloading boxes at Walmart. Come to think of it, this was around the time I quit smoking, too. Yes, this flower bloomed late.

I became a bit more mindful and started to examine why I was getting bad grades. I found that the problem was twofold: First, I did not study well by myself. I dealt with that by finding study partners in each class. The second reason was that I missed too many classes. I had a job and thus my classes were all early in the morning. A lot of times I chose sleep over school.

I told myself that if I missed even one class, I'd end up missing a lot of classes. It worked. During my last two years in undergraduate school and then in graduate school, my attendance record was perfect. My grades improved tremendously.

We Need Good Problems

According to Mark Manson, if you avoid problems or don't admit you have problems, then you are destined for an empty, sad existence. But you'll arrive at a similar destination if your problems are not solvable. Happiness comes from solving *good* problems. And thus, we should be on the search for good problems. Paradoxically, if we embed this attitude deep into our operating system and then embrace the happiness that comes from solving good problems, then we won't look at life's many or obstacles so much as problems as sources of happiness.

I have a client who is in his mid-30s. He cofounded two startups, worked twelve hours a day, six, seven days a week for six years. Last year he sold his second startup for \$30 million. The money gave him financial security for multiple generations – he doesn't have to work anymore, ever. But I get the feeling that he won't be happy unless he finds another problem to solve, and I hope he does. As Mark Manson puts it: “To be happy we need something to solve. Happiness is therefore a form of action.”

We Are Always Choosing

My son Jonah's first car was going to be my wife's Honda Odyssey minivan. We were going to buy my wife an SUV and Jonah would drive her eleven-year-old car. I loved this idea because I wanted Jonah to be surrounded by a lot of metal in his first years of driving. Jonah attends Cherry Creek High School, which is not just another high school, it's the "90210" public high school of Denver, attended mostly by kids of wealthy parents. Jonah's minivan (also known as a soccer mom's car) would have been parked next to a lot of fancy German cars (none of them minivans).

Having a car of his own was a big win for Jonah, but then he started to think of what his friends would think of it. My solution was to change his attitude towards the minivan. I showed him a movie. Not just any movie but my favorite movie of all time, *Get Shorty*. As you'll probably recall, it stars John Travolta, who plays a Miami mobster, Chili Palmer, who comes to LA to collect from a guy who owes money to the mob. He thinks he's rented a mobstermobile – a Cadillac. But when he gets to the airport, it's pouring rain and all the cars are rented out. There is only one car left – a minivan. Travolta's choice, either take a taxi or get the minivan. He chooses the van.

Once in LA Travolta decides he wants to become a movie producer. He projects this image (which makes the movie) of a cool mobster. There is a scene where Travolta meets a famous actor (played by Danny DeVito) who is smitten by Travolta's coolness and the mystery of Travolta being a mobster. As DeVito walks him outside to his car, the camera zooms in on Travolta's minivan. DeVito asks, "Chili, is this your ride?"

Travolta doesn't skip a beat; there's no hint of embarrassment, no excuses about the car rental company screwing up his reservation. None of that. He says "Yeah, yeah, I like to sit up high, check everything out. It is the Cadillac of minivans." And then he says, "Check this out," clicks the remote, and the rear passenger door opens. DeVito's eyes light up, as if Ferrari had just come out with a new model, and he says "Mind if I take it for a spin?" Fast forward to the last few shots of the movie, where we see a Hollywood studio parking lot filled with minivans. You can catch that scene [here](#).

After I showed *Get Shorty*, and that scene in particular, to Jonah, his attitude changed. If you act like you've got the coolest car in the school, then it will be the coolest (Come to think of it, that's a lot like what Mark Twain's Tom Sawyer did with painting a fence.)

Jonah is one of the most liked kids in school. He stands 6'3, is handsome (I'm as objective as father can be), always smiles, and is happy to help anyone in need (he has a good heart). If anyone could spin this, it would be Jonah. He named his car Oksana (no idea why) and started driving it with pride (just like Chili Palmer), telling his friends that this is the BMW of minivans. (Cadillac doesn't have the same cachet that it used to). Problem solved!

In the end, about three weeks later my wife had separation anxiety from the minivan – she loved those side sliding doors. She took it back and we ended up buying Jonah a normal sedan (nothing too fancy).

As Mark Manson puts it, “Often the only difference between a problem being painful or being powerful is a sense that we chose it, and that we are responsible for it... When we feel that we're choosing our problems, we feel empowered.”

In this somewhat trivial case – though it was anything but trivial to a seventeen-year-old – Jonah couldn't control what car his parents give him. He has little financial resources of his own. He had to own that decision that couldn't not control: He could be miserable or he could enjoy his independence (and side sliding doors). He chose the latter.

A few months later Jonah's problems got more difficult.

In his junior year in high school Jonah had a girl problem – he had a broken heart. His grades suffered as a result and his cumulative GPA was ruined. Now all of his friends were going to good universities, their first or second choices. Since Jonah was a little pup, I had taken him once or twice a year to CU Buffs games at CU Boulder. Jonah fell in love with that campus, and going to CU was his dream.

Now this dream had crashed. He'd have to go to Metropolitan University for a semester or two and then transfer to CU Boulder. He was very upset for a week. I gave him a copy of this book. After he read it Jonah told me, “Dad, I can keep feeling upset, though there is absolutely nothing I can do about it now. Or I can *choose* to own that decision that I am going to Metro. Either way the outcome will be the same, but how I handle it can be different. I chose to own this decision.”

He held his head up. His girl problems were behind him and he finished his first senior semester with mostly A's.

There was one more subtle point to Jonah's situation. All his friends looked down on Metro. I told him that in life you cannot control what other people think; you

can only control what you think. You cannot live a life by an external scorecard created by someone else. (Warren Buffett makes this point all the time).

Here is what Nobel physics laureate Richard Feynman said on this topic:

You have no responsibility to live up to what other people think you ought to accomplish. I have no responsibility to be like they expect me to be. It's their mistake, not my failing.

The “Do Something” Principle

I wanted to write about Manson’s book for a long time. I’d tell people about it, recommend it, give away copies. But I could not bring myself to sit down and write about it – I was waiting for motivation. Then as I was rereading it for the fourth time I stumbled on this line: “Action isn’t just the effect of motivation; it’s also the cause of it.”

I dropped whatever I was doing and started work on this (whatever this is).

The act of sitting down and writing brought on inspiration, which then followed by motivation. So instead of motivation being the instigator of action, we need to flip the sequence. “Your actions create emotional reactions,” says Manson. On day two of working on this I could not wait to get up early in the morning, make coffee, and start writing.

So, remember: Action leads to inspiration which leads to motivation

I may have another explanation as to why this “do something” works. When we think about something passively, waiting for a solution or inspiration to come to us, we may be spending the bulk of our thinking time in the conscious mind. Though the conscious mind is a powerful computer, it has about the processing power of an iPhone. But when we start *doing* we may be involving our subconscious mind, which has processing power of a mainframe (thousands of iPhones).

Mark Manson makes another valuable point: When you lack motivation, change the standard of success from excellence to merely doing. Then, as long as you’re doing, you cannot fail. My goal with this writing exercise was just to spill on these pages as much as possible of what I have learned and learn more while doing it – nothing less and nothing more (maybe that’s why this is so long).

What is the pain that you want to sustain?

Let's say I chose an "if/then," material goal of growing my firm's assets to \$100 billion; let's say I wanted to get to the size of Ken Fischer's firm Fischer Investments. Hopefully by this point you can see glaring problems with this goal. But let's say I chose to ignore Mark Manson's and my own advice and set that as my goal.

The question I should then ask myself is, What pain do I want to suffer through to reach this goal? All the obvious benefits of the upside would not come pain-free, not at all, they'd come with plenty of pain that I wouldn't see at first.

I'd be managing not just \$100 billion but hundreds, maybe thousands, of employees. We'd have a marketing department and all sorts of other departments, and of course interdepartmental meetings and a cumbersome bureaucracy. I'd have to travel all over the world visiting our offices, something I wouldn't mind at first – I love seeing the world – but after a while the travel would lose its luster and turn into a chore.

I'd have to "work" more hours running the firm and would less spend time on what I love the most: researching stocks. I'd have to go institutional and start figuring out betas, Sharpe ratios, and other Modern Portfolio junk that I despise with every ounce of my body and can simply ignore today, as we have made a deliberate decision not to work with institutions. (I have written plenty on that topic; [read here.](#))

Most importantly. I would not have the relationships with my clients I have today. Our firm's clients would turn into digits – impossible not to at that size. Finally, I'd have less time to spend with my family. All these things are for *me* (key word) pains that I am not willing to suffer. In the end they would make me less happy, and so even if \$100 billion under management was my goal, I wouldn't be willing to endure the pain required to achieve it.

Conclusion

Very early every Saturday morning while my family is still asleep, I sit down in my writing chair, close my eyes, and reexamine what I care about. I mindfully reexamine my values. If I were an unemotional robot, I'd follow everything I wrote above to a tee. I am anything but. I am an emotional human. Things happen in daily life and my values get out of whack. Knowing what the right values are is

half the battle. The second half is occasionally, *mindfully* recalibrating our values that could have been *mindlessly* set or reset by daily encounters we have with life.

You may want to do that reexamination daily or monthly – whatever works for you. But our values need an occasional recalibration. What we give a f*ck about determines where we invest our time and energy – both of which are finite. Most importantly, what we care about (our values) determines our happiness on the road of life, which we only get to walk once.